

FINAL EXAMINATION

Answer any Three (take-home version, any five)

Student Requests

Russia

1. The recent (May 30 2003) IMF Staff Consultation on the Russian economy provides a good overview of the economy's recent economic performance and the economic challenges that lie ahead. Based on this report, write an essay on the Russian economy stressing the current state of affairs and the main challenges that lie ahead. Based on this assessment are you optimistic or pessimistic concerning the economy? Why? (Counts for 3 questions)
2. Capital flight has been a major problem confronting the Russian authorities. Following Abalkin and Whalley write a brief essay on capital flight in the Russian context: What is capital flight, the scale of capital flight from Russia, the for capital flight from Russia, the problems presented by capital flight from the country, possible solutions (Counts for 2 questions).
3. Russia's 1998 financial crisis has been analyzed extensively in the literature. Following Kharas, Pinto and Ulatov (An Analysis of Russia's 1998 Meltdown: Fundamentals and Market Signals) write a brief essay on this incident. What were the events leading up to the crisis? The manner in which the crisis was dealt with? Lessons learned? (Counts for 3 questions).
4. Yegor Gaider one of the principle Russian reformers has drawn (Lessons of the Russian Crisis for Transition Economies) a number of lessons from the Russian financial crisis of 1998. Focusing on the problem of soft and hard budget constraints, what lessons does he draw for other transition economies? Do you agree with his assessment? Why or why not?

Russia/Central Asia

5. The Russian financial crisis of 1998 had a number of ramifications for neighboring countries. Following the IMF (The Russian Financial Crisis and its Consequences for Central Asia) what were the main consequences for the Central Asian Republics? – The initial conditions in these countries?, the crisis's transmission mechanism?, the policy response? The legacy from the crisis? (Counts for 3 Questions).

Greece

6. The recent (November 11, 2003) Financial Times survey of Greece covers a number of current issues. What do you feel were the more important topics covered? Why? Is there anything you feel was left out and that should have been mentioned? Why?
7. The recent (June 2003) IMF Staff Report on Greece provides a good over-view of that economy and several key policy issues facing the authorities. Write a brief essay outlining the current state of the economy and several of these key issues. From this discussion what is your feeling about the country's likely economic performance over the next several years? (counts for 3 questions).

Qatar

8. IMF's latest consultation (September 1-, 2002) with Qatar provides a good assessment of that country's progress and stability. The Fund notes a number of factors affecting that country's economy and policy making – what are these? Areas that may require more attention in the future?

Spain

9. The IMF's recent (November 17, 2003) consultation with Spain makes a number of observations concerning that country's recent economic performance and policymaking. What do you feel were the most important points raised? Why? Based on the Fund's assessment, how do you see that economy doing over the next several years? Why?

Saudi Arabia

10. The IMF's December 2003 evaluation of the Saudi Arabian economy touches on some current issues currently facing that country's policy makers. What are the Fund's main concerns? The areas they are satisfied with current progress? Based on the Fund's assessment, how do you see the economy faring over the next several years? Why?

Recent Additions

11. Martin Wolf of the Financial Times has written a series of perceptive assessments of the Chinese economy. Briefly outline the main issues dealt with by Wolf. Their implications for that economy's economic progress? Based on his assessment are you optimistic about the country's economic prospects? Why or why not?

12. The Quantity Theory, Supply Side Economics and Reaganomics (Routledge Encyclopedia) are closely related, non-Keynesian approaches to macroeconomics. What are the main features of each? In general how does this approach differ from the standard Keynesian set of assumptions?

13. The Economist has published a series of articles delving into the Euro and the EU's stability pact. What do you feel were the main points raised? Do you agree or disagree with the Economist's assessment? Why or why not?

14. Morgan Stanley provides one of the best assessments of current US/world economic conditions, yet their site carries a variety of in-house views. Briefly outline the main similarities and differences in Stephen Roach's and Richard Brener's assessment of US economic performance in the near term. Which do you prefer? Why?

15. Following Michael Intriligator write a brief essay on globalization – what are its various dimensions. What are the main advantages and threats of globalization. What do you feel the US policy should be with regard to globalization? Why?

16. Michael Dooley et al (An Essay on the Revived Bretton Woods System) identify several key developments in the world economy. What are these? Their implications for the dollar? Are these recent developments beneficial to the US? Why or why not?

17. The recent Economist survey of International Finance examines a number of issues currently of critical importance to the stability of the international financial system. Briefly

outline what you consider the main challenges confronting the system? Why do capital flows present a major dilemma? What might be done to increase the benefits derived from capital flows? What would your position be with regard to capital flows? Why (Counts for 2 questions)

18. The East Asian countries were severely hit by the 1997 Asian Crisis and the subsequent penetration of many of their key export markets by the Chinese (Robert Looney, Thaksinomics A New Asian Paradigm?). These developments have thrown into question the wisdom of their use of the East Asian Development Model (EADM) as a key economic strategy. What is the East Asian Development Model? Its limitations? How does Thaksinomics differ from the strict EADM? At least in the case of Thailand, do you feel Thaksinomics a chance of success? Why or why not?

19. Briefly outline the Neoliberal Model (Robert Looney, The Neoliberal Model's Planned Role in Iraq's Economic Transition). What are its key assumptions? Empirical justification? How has its implementation been suggested for the Iraqi context? Do you feel it is a wise approach to that country's economic transition? Why or why not?

20. The Iraqi economy will face some severe financial constraints over the next few years (Robert Looney, Bean Counting in Baghdad). What are the main areas of concern in this regard? Possible solutions? In this regard, do you feel Iraq's debt should be forgiven? Why or why not?

21. Iraq will have to pretty much start from scratch in building a financial system and establishing a currency/foreign exchange policy (Robert Looney, A Monetary/Exchange Rate Strategy for the Reconstruction of Iraq). What are some of the alternative exchange rate systems the country might consider? The advantages and disadvantages of each. How do you see the country proceeding in this area?

22. From time to time it has been proposed that the oil exporting countries price oil in something other than dollars i.e., Euros (Robert Looney, From Petrodollars to Petroeuros). One fear is that this would jeopardize the role of the US dollar as the dominant international reserve currency. What are the advantages of having a reserve currency? The likelihood that oil will be priced in Euros? The probable continued use of the US dollar as the dominant international reserve currency?

23. Following Marsha Vande Berg, Can China Fix its Banking System? What are the main problems currently afflicting the country's banks? The obstacles to Chinese banking reform and the importance of banking reform to the Chinese economy? Are you optimistic or pessimistic that reform will proceed? Why or why not?

24. George Feiger (the Current US Economic Cycle) examines the Federal Reserve's policies during the past downturn of the economy – largely maintaining low interest rates. What are some of the ramifications of this policy? Implications for the future?

25. International capital flows are a key element in the growth of countries. Following Glenn Yago and Susanne Trimbath, (Milken Institute View) briefly summarize some of the recent international trends in capital flows. What are some key new developments in the area?

Factors affecting capital flows?

26. Barry Eichengreen (The Euro: Filling the Half-Full Water Glass) examines several issues associated with the euro and stability pact. Following his assessment what have been some of the problems associated with the euro/stability pact? Solutions? Prospects for the future?

27. Michael Pakko (The US Trade Deficit and the New Economy) notes that understanding the underlying causes of the present U.S. trade deficit is an important part in evaluating their future impact on the economy. According to him what are the factors to consider in such an evaluation? His main findings and conclusions?

28. Catherine Mann (Is the U.S. Current Account Deficit Sustainable?) questions whether the U.S. current account deficits are sustainable. According to her what factors affect the current account deficits experienced by the U.S.? Why might the deficits be sustainable? What are the policy and structural changes needed for the United States to continue sustaining relatively large current account deficits?

29. For the first time, the U.S. dollar has a real rival in international markets, the Euro. Following Pollard (The Creation of the Euro and the Role of the Dollar in International Markets) what factors have contributed to the dollar's widespread use worldwide? How should the creation of the EURO affect these factors in the future? Would wider use of the EURO help or hurt the U.S? Elaborate.

30. Paul Mathiew and Clifton Shiells (The Commonwealth of Independent States' Troubled Energy Sectors) note a number of problems associated with the energy sectors in several of the countries of the former Soviet Union. What are these difficulties? Their causes? Possible solutions?

31. Transition countries in the process of becoming integrated into the world financial system are vulnerable to large and potentially destabilizing capital flows (Lipschitz et al). What are the main factors that make these countries particularly vulnerable? Policy responses that they should consider to cope with the situation?

32. A number of countries are either using the dollar as their currency or thinking of doing so in the near future. Following Anitnolfi and Keister, why do countries choose to dollarize their economies? What are the main costs and benefits of this dollarization?

33. Chiodo and Owyang (A Case Study of a Currency Crisis: The Russian Default of 1998) define a currency crisis as a speculative attack on a country's currency that can result in a forced devaluation and possible debt default. Using their approach what are the conditions under which an economy can become vulnerable to a currency crisis? The three standard models used to explain currency crisis? The main ingredients that can trigger a crisis? The factors that appear associated with the Russian currency crisis of 1998?

34. What are the main issues that Ken Rogoff, head economist at the IMF sees challenging the global financial system in the coming years? What particular problems does each present? Are there ready solutions for each or do we need more information before proceeding?

35. James Boughton is the IMF's historian. In his "From Suez to Tequila" Boughton examines how the IMF's role as a crisis manager has evolved over time. Following Boughton, what were the key developments that have defined the IMF's role in this regard? Why were these particular events of significance?
36. What appear to be the main issues surrounding the British adoption of the Euro? Does this appear to be a good time for the country to adopt the Euro? Why or why not?
37. The dollar has been weakening in exchange markets for some time. What are some of the reasons for this decline? The implications for the US economy? US foreign policy?

Questions Based on the Text

38. What main principles (Chapter 15) underlie the construction of national balance of payments accounts? What items comprise the main measures of the balance of payments and the components that comprise each? What is the Macroeconomic meaning of the Current Account Balance?
39. What are forward exchange rates (Chapter 17)? Their use in hedging? Speculation? Covered interest Parity?
40. There are several long run theories of exchange rates (Chapter 18). What are the elements of these theories? Their strengths and weaknesses?
41. What appear to be the main factors responsible for short run movements in exchange rates (Chapter 19)? Why is predicting short run movements in the exchange rate so difficult?
42. Governments have a wide choice of policies toward their exchange rates. What are some of the options available to countries with regard to their exchange rate (Chapter 20). The advantages and disadvantages of each?
43. Outline the basic IS/LM macroeconomic framework (Chapter 21). How does equilibrium come about with these curves? Under what circumstances will monetary policy be most powerful? Fiscal Policy?
44. Under a system of fixed exchange rates (Chapter 22) what role does fiscal policy have in stabilizing income? Monetary policy? Why?
45. Under a system of flexible exchange rates (Chapter 23) what role does fiscal policy have in stabilizing income? Monetary policy? Why?
46. What are the basic pros and cons of fixed versus flexible exchange rates (Chapter 24).
47. What are some of the causes of international financial crisis (Chapter 26)? The approaches to resolving these crises?

Exchange Rates/Monetary Systems

48. What considerations are critical (Brief History of Funny Money) in deciding whether to peg or float a currency? What is the rationale underlying each factor?

49. What considerations does the IMF feel are important for developing countries in deciding how to set their exchange rate ("Fixed or Flexible? Getting the Exchange Rate Right in the 1990s")? What appear to be some of tradeoffs involved in setting exchange rates?

50. What are the advantages of a strong dollar? A weak Dollar? Which would you consider to be the best for the United States? Why?

51. How does Cooper see the creation of the Euro as affecting the U.S. dollar? What factors does he take into account in arriving at this assessment?

52. What are the main dilemmas (Rodrick) facing nations in the global economy today? What factors create these dilemmas? How does Rodrick see the world economy evolving? Do you agree with his assessment? Why or why not?

53. Bhagwati outlines the main factors that should be considered prior to designing any new, world monetary system. What are these factors and the reason each is important to this issue?

Dollarization

54. What is dollarization? The factors that have contributed to de facto dollarization? Following Sachs and Larrain what are the main benefits of dollarization? The costs? Alternatives to dollarization?

55. Following Bergsten (Dollarization in Emerging Market Economies) what are the currency choices facing emerging market economies? What are currency boards and does dollarization have any advantages over this type of system? Explain? What are the implications of dollarization for the United States?

Currency/Financial Crisis

56. With regard to the Asia Crisis, Corbet and Vines (Asian Currency and Financial Crisis: Lessons from Vulnerability, Crisis and Collapse) ask "why did both currency and financial crisis happen? and why did crisis turn into complete collapse? How do they deal with these issues and do you feel their arguments provide a good explanation of events? Why or why not?

57. In their examination of the world financial system, De Bonis et al., (Crises and Bail-Outs of Banks and Countries: Linkages, Analogies, and Differences) explore the inter-connections, analogies and differences between crises and bail-outs of banks and countries. What are their main conclusions with regard to these issues? Their policy recommendations?

58. Michael Blaine (Déjà vu All Over Again: Explaining Mexico's 1994 Financial Crisis) draws a number of lessons from the Mexican crisis of 1994) what are these? Do you feel they are applicable to other developing countries? Why or why not?

59. According to Desai, why did the ruble collapse in August 1998? What evidence does she present to back her argument? What were the other options to devaluation and why were these not adopted?

60. Based on his experience at the US Treasury, Summers (International Financial Crisis:

Causes, Prevention and Cures) as drawn a number of conclusions concerning the international financial system. Briefly outline his main observations on the workings of the system? Sources of financial crisis? Best types of crisis response? Areas for reform?

Macroeconomics

61. Several schools of thought have tried to explain the factors that led to the 1930s depression. What are these schools and their assumptions about the factors that contributed to the depression? Which of these theories to you feel provides the best insights to today's economy? Why?

62. Martin Wolf (After the Crash) notes a number of reasons why Americans should be worried over the state of the economy in the near term? What are his main concerns? Do his arguments seem sound or do you feel they are conjectural? Explain.

63. Keynesians and Monetarists approach many policy issues from different perspectives. What are the main areas of disagreement? What critical ways do the two schools differ in their approach to policy issues? The assumptions underlying these approaches?

64. Hufbauer et al ask whether or not Macroeconomics is dead. What are their main concerns? The relationships in macroeconomics they feel are becoming less reliable? In the end, is there reason to feel that macroeconomics is dead? Why or why not?

United States Economy/Economic Policy

65. Alan Meltzer summarizes U.S. policy in the Bretton Woods Era. What were some of the major policy issues during this period? What factors appear to have lead to the demise and eventual collapse of the Bretton Woods System?

66. Paul Krugman asks whether American can stay on top. What are some of the factors examined by him to shed light on this issue? The conclusions drawn by him? Do you agree with his assessment or do you find something lacking?

67. In his review of the literature John Taylor assesses the issue of American economic policy in the 1980s. What were the main policy shifts during this period? Do you feel they were a watershed or pendulum swing?

National Economic Performance

68. What are the seven signs of non-competitive states identified by Ralph Peters? How does he see the world system evolving? What are the implications for national policy?

69. Alan Reynolds documents certain patterns between economic policy and performance. What are some of the actual situations he cites? His main findings/conclusions?

The Global Economy

70. Norman Fielke identifies several widely held popular misconceptions about the world conomy. What are these myths and why do you feel they have been so widely-held?

71. What do Haas and Litan conclude as to the best policy approach towards globalization? What assumptions underlie their position? Do you agree? Why or why not?

72. How does the IMF (IMF World Economic Outlook, December 2001) see the events of 9/11 affecting the world economy?

Globalization and National Security

73. In the first chapter to NDU's major study on globalization Stephen outlines many of the main economic/security issues associated with changes in the world economy. In your opinion which of these seem to be the most significant for the United States? Why?

74. In Chapter 2 of NDU's study on globalization Ellen Frost outlines the main considerations for a United States' "globalization-infused strategy". What are the key elements of this strategy and do you feel it is a realistic assessment? Why or why not?

75. Robert Hunter (Chapter 4, Global Economics and Unsteady Regional Geopolitics) also outlines the significant changes in globalization and the implications for United States' interests. What are his main policy recommendations? Do you find them convincing? Why or why not?

76. Gwyn Prins (Chapter 24, The Navy and Globalization: Convergence of the Twain?) links U.S. Capability to specific missions that combat potential threats with global reach, arising from facts of globalization. Briefly outline her approach and the main missions outlined by her. Do you find her assessment sound? Why or why not?

77. Naval forward presence has been shown (Looney, Schrady, Brown (Estimating the Economic Benefits of Forward-engaged Naval Forces) under certain circumstances to provide significant economic benefits for the United States (and other Western economies). What mechanisms appear to be most significant in this regard? The linkages from crisis response to economic benefits?

Fiscal Issues Surrounding the Iraq War and Reconstruction

78. The theory of international trilemmas states that when confronted with three mutually exclusive states of affairs, countries can only attain two simultaneously. Following Robert Looney (Financing Wars on Terrorism and Iraq) what are some of the more common trilemmas. Given the financing requirements of the war on terrorism and the reconstruction of Iraq what trilemmas might the United States face in the near future? Why?

79. See Question 21 -- monetary and exchange rate policy in Iraq.

80. See Question 20 – Iraqi debt and reconstruction.

Foreign Aid

81. Foreign Aid is receiving a new importance in the War on Terrorism (Robert Looney, The Role of Foreign Aid in the War on Terrorism). Briefly outline some of the early initiatives in this area following 9/11. What are some of the main controversies surrounding the use of foreign aid? Do you feel it is a valuable tool in the War on Terrorism? Why or why not.

82. Many policymakers have become frustrated with foreign aid's seemingly inability to improve conditions in developing countries. As a result a number of recent evaluations have tried to determine the factors that influence aid's effectiveness. Of these studies the most

influential have been those undertaken by the World Bank (IBRD). Briefly outline the main findings regarding Aid arrived at by that organization.

83. Bauer and Yamey have been the most persistent critics of foreign aid. What are their main arguments? Do they make a convincing case?

84. Pakistan has had a series of crisis over the years in what might be characterized as a set of failed takeoffs (Robert Looney, Failed Economic Take-offs and Terrorism: Conceptualizing a Proper Role for US Assistance to Pakistan). Briefly identify some of the factors that have brought Pakistan's economic growth to a halt. What are the implications for the creation of a terrorist breeding ground? How might US aid counteract the forces that appear to terminate Pakistan's economic expansion?

IMF and World Bank

85. Pakistan's relationship with the IMF has been strained over the years (Robert Looney, The IMF and the War on Terrorism: Conflicting or Complementary Objectives in Pakistan). Briefly outline some of the major developments in this relationship. What is the country's current economic strategy? Do you feel the IMF's current program in Pakistan helps or hurts the government's battle with terrorism? Why or why not?

86. Ray Mikesell (Bretton Woods—Origins Intentions and Current Problems) provides an overview of the Bretton Woods institutions. Following his analysis, what were some of the conflicts that arose over the initial charter of these institutions? The current problems facing the institutions?

87. Fred Bergsten (The International Monetary Fund and the National Interests of the United States) looks at the costs and benefits to the United States as a result of membership in the Fund. What are these costs and benefits? The main criticisms of the Fund? Based on his assessment do you feel the Fund is in the best interests of the US? Why or why not?

88. Michael Frenkl (An Analysis of Competing IMF Reform Proposals) surveys the main criticisms of the Fund. Outline the main proposals for reform and within the context of the "trilemma of economic integration."

89. Anne Krueger (Whither the World Bank and the IMF) traces the history of the IMF and World Bank. Based on her assessment, do you feel the institutions are no longer useful and should be shut down? Or are reforms of the institutions a superior alternative? Explain?

90. According to Chari and Kehoe (Asking the Right Questions About the IMF) the IMF and World Bank are coming under increased criticism. As outlined by them what are the main criticisms of these organizations? Possible solutions?

91. Joseph Stiglitz (The World Bank at the Millennium) outlines the manner in which the World Bank has evolved over the last 50 or so years. According to Stiglitz, what is the core mission of the bank, how has this evolved over time and what role should the Bank play in the future?

92. Stanley Fischer (Reforming the International Financial System) former # 2 man at the IMF

has a number of suggestions for reforming the international system. As he sees it, what are the major problems confronting the system? His main proposals to deal with these difficulties?

Capital Flows/Credit Ratings

93. Following Christopher Neely (An Introduction to Capital Controls) What are the main issues surrounding the debate on capital controls? Why are most economists for free trade, but at the same time less enthusiastic about free movement of capital?

94. Global capital flows, public and private, are receiving increasing attention in the literature. Bhagwati, a free trader, is somewhat skeptical of the merits of unrestricted capital flows? What are his arguments on this issue? Do you feel the case for free capital movements is as strong as free trade? Why or why not?

95. The IMF has tried to determine the factors that ultimately underlie the leading creditworthiness ratings provided by leading institutions. What elements does the Fund look at and what is the main conclusion of their findings?

96. The New York Federal Reserve has examined the underlying determinants of Moody's and Standard and Poor's Sovereign credit ratings. What are Sovereign ratings, and the main findings of this analysis. What might countries do to improve their credit ratings?

Europe/The Euro/EMU

97. Following Gwen Eudey what are the benefits of adopting the EURO? The costs? What factors would contribute to these costs and the benefits? On balance does the EURO appear to be a good idea?

98. The pronounced decline in the Euro's exchange rate since the start of 1999, especially against the US dollar, has led to questions concerning the competitiveness of the euro zone. Following Hinze (Does a Weak Euro Signify Poor Competitiveness of the Euro Zone)? What are the main explanations of the depreciation of the euro against the dollar? Does the weak Euro stem from a lack of competitiveness in the Euro Zone?

99. Jeffry Frieden assesses the apparent winners and losers resulting from the establishment of the EURO. What are his main findings? Do you agree with his assessment? Why or why not?

100. What factors might result (Muller, From Dollarisation to Euroisation) in the Euro replacing the Dollar through national currency substitution in countries on the periphery of the Euro zone? Do you see this happening? Why or why not?

101. Jeffrey Wrase traces the history of the EURO. What are the key developments leading up to the establishment of the EURO? What are the chief duties and responsibilities of the new European Central Bank (ECB)? In what ways will the ECB be similar to the US Federal Reserve Bank? What possible ways will it be different?

102. Bernhard Herz examines Greece's entry into the EMU. Following his arguments: How was Greece able to comply with the convergence criteria? What are the costs and benefits of its accession from both the Greek and the present EMU members' perspectives? Is the current

process of economic reform in Greece sustainable? Do you agree with his assessments? Why or why not?

Latin America

103. Following Willett (Crying for Argentina) write a brief essay on that country's recent financial crisis. What factors led to the crisis? Any suggestions on how might the crisis have been avoided?

104. Following the Economist (The Slow Road to Reform) outline some of the current difficulties facing the Latin American economies. Why do some seem to be thriving and others not?

105. What appear to be the main implications of the Euro for Latin America (R. Dornbusch, The Euro: Implications for Latin America)?

106. Briefly discuss the reasons (Velde, Dollarization in Argentina) for Dollarization in Argentina. How does the system work? The problems associated with Dollarization? The benefits?

107. Ricardo French-Davis (Policy Implications of the Tequila Effect) assesses the problems associated with capital flows in Latin America? Following French-Davis what are the main difficulties associated with capital flows? The policy solutions?

108. Briefly summarize several of the main trends associated with defense expenditures in Latin America? What role does military influence (Looney and Frederiksen, The Effect of Declining Military Influence on Defense Budgets in Latin America) appear to play in explaining these patterns? Are other factors also at work?

109. Who are the Chicago Boys, and their policies? Why have they become so controversial in Chile.

Africa

110. Following Thompson (Regional Challenges to Globalization: Perspectives from Southern Africa), outline the main ideas underlying the "New Regionalism" How is this concept applied by her to the 14 States of Southern Africa? Do you find this approach useful for examining globalization and the economies of Southern Africa? Why or why not?

111. Arthur Goldsmith (Foreign Aid and Statehood in Africa) reviews the many controversies surrounding the impact of foreign aid on African economies. What are the main issues here? Based on this article do you feel aid has helped or hurt the region? Why

112. John Sender (Africa's Economic Performance: Limitations of the Current Consensus) summarizes several of the main methodological approaches towards the development. What are these and which according to him is more applicable to the African situation? He is also more optimistic than most observers concerning Africa's progress and future. What are his main arguments and do you find them compelling?

113. Ali Abdel Cadir Ali (The Economics of Conflicts in Africa) argues that an economic core is

basic to the many conflicts in Africa. What does he base this conclusion on and do you find his arguments compelling? Why or why not?

114. Jeffrey Herbst (Economic Incentives, Natural Resources, and Conflict in Africa) reviews how rebel leaders motivate followers to fight in wars in Sub-Saharan Africa. What are some of these incentives. Why does Herbst feel that emphasis on the economics of civil wars may be misplaced? Do you agree or disagree? Why?

Transition Economies

115. Albania's economy is making good progress. As part of that country's program with the IMF, the Government submits an outline of the main programs it plans on implementing. What is the general nature of these programs and their rationale?

116. The IMF (Exchange Rate Regimes in Selected Advanced Transition Economies--Coping with Transition, Capital Inflows, and EU Accession) outlines the currency/exchange rate options facing transition economies before their accession to the EU. What are the main issues and which strategies appear the most sound?

117. Capital flight from Russia has been a major problem for that country. What policy options (IMF, Capital Flight from Russia) appear to be the most productive in stemming this flow? Are capital controls a possible solution? Why or why not?

118. The IMF has undertaken extensive study of the Transition Economies. Briefly outline the main policy lessons they draw (WEO, Chapter 3) from this experience.

119. The IMF has also examined the likely benefits ,costs and risks associated with accession of the transition economies into the EU. What are the relevant factors examined (WEO, Chapter 4) by the IMF? The Fund's main conclusions on the issue.

Middle East

120. According to Bakheet, it is critical for the GCC countries to develop stock markets? What are his main assumptions and do you find them convincing? Why or why not?

121. Jaber (GCC Financial Markets and the Quest for Development) assesses the structure and economic role of financial markets in the GCC. What are the main patterns identified by him? What are the main changes needed if the sector is to grow in stature, playing a prominent role in the international economy?

122. What are some of the main issues surround the use of migrant workers in the Gulf Countries (Mellahi, Local Workers in gulf Co-Operation Countries)? Possible solutions?

123. Stanley Fisher et al (Economic Developments in the West Bank and Gaza Since Oslo) notes that the performance of the Palestinian economy (1994-2000) was very uneven despite considerable foreign aid. According to him what are the main causes of this underachievement? The policies needed to achieve stronger growth?

Azerbaijan

124. The IMF's recent evaluation of the Azerbaijan economy highlights a number of issues that will impact on that country's economic expansion. Based on this report, summarize the

country's recent economic performance. What do you feel are the most important economic challenges facing that country? Are you optimistic about the country's economy over the next several years? Why or why not?.

East Asia

125. Baer, Miles and Moran (The End of the Asian Myth: Why Were the Experts Fooled) note that there were many misperceptions concerning the nature of the East Asian countries. According to them, what were these misperceptions and how did they lead to false interpretation of the factors responsible for the region's high rate of economic growth?

126. What were the main lessons Rodrik drew from this examination of the Asian Crisis? Why have some countries recovered while others are still languishing? What additional policy implications does he draw? From what you know about the crisis, has he identified the main mechanisms at work or are there alternative interpretations?

127. Crafts (Implications of Financial Crisis For East Asian Trend Growth) attempts to assess the factors associated with the Asian Crisis and their implications for policy. What are his main findings and policy recommendations? Do you agree with his assessment? Why or why not?

128. Briefly outline the main points contained in the Economist's recent (Asia' rollercoaster Rides, October 21, 2000) assessment of East Asian Economies. Which countries appear better off? In trouble? Why?

129. James Dean notes that China, as opposed to many other East Asian countries was able to avoid most of the effects of the Asian Crisis. Why was this the case? Do you find his arguments compelling? Why or why not?

130. Gilboy (China's Coming Transformation) notes that over the past decade, China's leaders have pursued rapid economic reform while stifling political change. He thinks the result is a rigid state that is unable to cope with an increasingly organized complex and robust society. What changes does he see this situation forcing in the future? Do you agree with his assessment? Why or why not?

131. Following Graham Bird (Miracle to Meltdown) what factors led to the Asian crisis in spite of high rates of growth in previous years? What are the chances for recovery?

132. In light of the Asian Crisis, Williamson questions the wisdom of fixed exchange rates (to the dollar) in the region. What are the alternatives? Their merits and shortcomings? Policy recommendations?